

Air Contaminant Source Fund

Title V Fees

The Title V Air Operating Permit Program is the federal program established under the Clean Air Act, as amended in 1990, and is administered by the federal Environmental Protection Agency (EPA). Air quality permits are issued to large or major sources of air pollution and fees are collected. A major source emits 100 tons per year (tpy) or more of any air pollutant; 25 tpy or more of any combination of hazardous air pollutants; 10 tpy or more of any individual hazardous air pollutant or the potential to emit equal to or greater than 100,000 tpy of carbon dioxide equivalent emissions (CO₂e); and 100 tpy greenhouse gas mass basis.

Nationally, state and local permitting authorities issue most Title V permits. These permits are often called [Part 70 permits](#) because the regulations are in the Code of Federal Regulations (CFR) at 40 CFR Part 70. The EPA also issues Title V permits in other situations, as needed. Permits issued by the EPA are called [Part 71 permits](#).

The Department of Natural Resources (DNR) begins the budget process each January when a draft fee and budget is reviewed with a representative group of major source stakeholders. A draft Title V program budget and fee is presented to the Environmental Protection Commission (EPC) at the March meeting. The EPC typically approves the budget and fee in April or May. Once approved, fees are due by July 1 each year; however, a portion is paid prior to that date. The result is a large balance brought forward each year and applied to the subsequent year's budget. The funds carried forward, combined with outstanding fees, constitute the budget for each year. For example, the FY 2012 beginning balance was \$9.6 million and included a portion of the fees for FY 2012 paid in FY 2011. The FY 2012 fees, licenses, and permit line was \$9.5 million and included the remaining FY 2012 fees and a portion of the FY 2013 fees. Prepayment of fees results in revenue reflection of 18 months (rather than 12 months) worth of budgetary expenses during a fiscal year.

The EPA has approved the DNR to issue federal Title V Operating Permits and collect annual emission fees. Iowa's Title V fee is assessed on the first 4,000 tons of each regulated air pollutant emitted each calendar year from each major stationary source. The FY 2014 budget is based on emissions that occurred in calendar year 2012. Pollutants subject to fees include: particulate matter less than 10 micrometers in diameter (PM₁₀), including particulate matter less than 2.5 micrometers in diameter (PM_{2.5}), sulfur dioxide, nitrogen oxides, volatile organic compounds, lead, ozone, and 187 hazardous air pollutants. Neither carbon monoxide nor carbon dioxide is subject to fees.

Currently, the Iowa fee is \$56 per ton for the first 4,000 tons of each regulated pollutant for FY 2014. Fees, first deposited in the Air Contaminant Source Fund, are transferred to the DNR Air Quality Bureau to pay for the cost of issuing construction, prevention of significant deterioration (PSD), and operating permits. Funds support stack test observation, emission inventory, monitoring, compliance assistance, and inspections. The Bureau negotiates and funds the following agreements from the Fund:

- State Hygienic Laboratory at the University of Iowa for ambient air monitoring.
- Linn and Polk Counties are delegated programs that implement portions of the Clean Air Act in their jurisdictions, pursuant to Iowa Code Chapter [455B.133A](#).
- University of Northern Iowa's Iowa Waste Reduction Center to fulfill the role of the small business assistance requirements pursuant to Iowa Code Chapter [455B.133A](#).

Table 1 on the following page details the history of the Fund and **Table 2** details Title V Emission and Fee History.

More Information

DNR Air Quality Program Information: <http://www.iowadnr.gov/InsideDNR/RegulatoryAir>

DNR Title V Instructions: http://www.iowadnr.gov/portals/idnr/uploads/air/insidednr/operpermit/tv_instructions.pdf

LSA Staff Contact: Deb Koziel (515-281-6767) deb.koziel@legis.iowa.gov

Air Contaminant Source Fund

Air Contaminant Source Fund History – Table 1

Description	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Revenue:					
Balance Brought Forward	\$ 6,659,838	\$ 8,234,621	\$ 9,572,418	\$ 9,582,653	\$ 9,521,267
Gov Fund - Other Agencies	0	0	0	0	80
Interest	177,053	63,818	27,968	22,931	21,847
Fees, Licenses & Permits	10,927,214	11,002,822	9,318,297	9,484,397	2,699,746
Refunds & Reimbursements	97	22,568	218	365	4
Total Revenue	<u>\$ 17,764,202</u>	<u>\$ 19,323,829</u>	<u>\$ 18,918,901</u>	<u>\$ 19,090,346</u>	<u>\$ 12,242,944</u>
Expenditures:					
Intra-State Transfers	\$ 9,529,581	\$ 9,751,410	\$ 9,336,248	\$ 9,569,079	\$ 9,520,294
Balance Carry Forward (Funds)	<u>\$ 8,234,621</u>	<u>\$ 9,572,419</u>	<u>\$ 9,582,653</u>	<u>\$ 9,521,267</u>	<u>\$ 2,722,650</u>

Title V Emission and Fee History – Table 2

Description	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Title V Fee Per Ton	\$ 39.00	\$ 52.00	\$ 56.00	\$ 56.00	\$ 56.00
Statewide Title V Emissions Tons	224,067	200,872	166,210	168,979	166,955
Statewide Title V Fees Levied	\$ 8,738,613	\$10,445,344	\$ 9,307,760	\$ 9,462,848	\$ 9,349,507
Percent Change in Title V Per Ton Fee	-	33.3%	7.7%	0.0%	0.0%
Statewide Title V Emissions Tons Change	-	-10.4%	-17.3%	1.7%	-1.2%
Percent Change in Fees Levied*	-	19.5%	-10.9%	1.7%	-1.2%
Percent Change in Expenditures	-	2.3%	-4.3%	2.5%	-0.5%

Source: DNR